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DEPT FOR AF A A/S CARTER, AF/SPG, AF/C
NSC FOR HUDSON
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DEPT PLS PASS USAID FOR AFR/SUDAN, DCHA/SUDAN

SENSITIVE
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TAGS: [ASEC](#) [PGOV](#) [PREL](#) [KPKO](#) [SOCI](#) [AU](#) [UNSC](#) [SU](#)
SUBJECT: USAID PARTNER ASSETS SEIZED IN SUDAN

REF: A) KHARTOUM 210
B) KHARTOUM 106
C) KHARTOUM 100

SUMMARY

¶1. (SBU) The Government of Sudan's Humanitarian Aid Commission (HAC) proceeded on February 18 with a summary seizure of assets used by USAID implementing partners PADCO-AECOM and International Rescue Committee (IRC). These seizures are the latest in a continuing pattern of intimidation and disruption by the regime of humanitarian and development activities in northern Sudan. The government likely hopes to demonstrate that when the bilateral relationship is good or headed in a positive direction, problems such as this can be quickly solved (as they were briefly following SE Williamson's April 2008 meetings with the NCP in Rome,) but in the absence of engagement there will be little cooperation. End summary.

GOS SEIZES ITEMS RESTRICTED BY US LAW

¶2. (SBU) After expelling the PADCO-AECOM Country Director from Sudan with 48 hours notice on February 10 (Ref A), HAC staff returned to the PADCO-AECOM office in Khartoum on February 17 and gave 24 hours notice that they intended to take possession of all property previously purchased under USAID contract by Development Alternatives Inc. (DAI) and used by PADCO-AECOM in implementing the USAID Office of Transition Initiatives' (OTI) program in Sudan. HAC arrived at the PADO-AECOM office on February 18 and removed DAI assets from the premises, including computer and communications equipment.

¶3. (SBU) Unfazed by explanations from PADCO-AECOM staff that transfer of restricted items such as computers and communications equipment violates their obligations under US federal law, HAC removed laptops, satellite phones, and other items with dual-use technology from the PADCO-AECOM premises. HAC has ordered PADCO-AECOM to bring all DAI assets utilized in field offices in the Three Areas (Abyei, Blue Nile, Nuba Mountains) to Khartoum by Saturday. The total estimated value of DAI assets remaining in Sudan is \$360,000, of which HAC already had approximately \$150,000 worth of vehicles and one laptop in their possession. Thus far HAC has only focused on the property from the DAI contract funded previously by USAID/OTI, and not property purchased under the PADCO-AECOM contract; a change in that focus would mark even more significant escalation.

¶4. (SBU) On the same day in Nyala, South Darfur, HAC seized assets from USAID/Office of Foreign Disaster Assistance (OFDA) partner IRC,

which is providing humanitarian and life-saving assistance in Darfur. IRC has been continuously targeted and harassed by HAC and National Security due to its provision of assistance to women victimized by rape and for the organization's outspoken advocacy on issues of violence against women. After a long period of pressure from HAC, both in South Darfur and at the federal level, IRC was forced to turn over a number of assets to HAC. Repeated Embassy interventions with senior MFA and Intelligence officials over the past months have produced empty promises but no improvement in the situation. HAC told IRC that if it did not authorize the transfer of assets, HAC would not grant stay visas, work permits, and travel documents to IRC staff. [Note: similar threats were made to PADCO-AECOM staff.] HAC removed USAID-funded equipment from the IRC offices, including vehicles, computers and other office equipment.

15. (SBU) The first seizure of USG assets took place in January 2008 upon the closeout of the DAI program in Sudan (Ref B and C). Subsequently HAC has seized assets belonging to other USAID partners, but these assets were not specifically funded by USAID. These latest seizures may reflect targeting of two USAID-funded organizations with fairly high political profiles, or the beginning of a broader trend of GoS targeting of US organizations to create additional regime "bargaining chips" for high-level bilateral discussions with the Americans.

ASSET SEIZURE COMPROMISES PROGRAMMING IN THREE AREAS

16. (SBU) Field office staff in Abyei, South Kordofan, and Blue Nile states rely on the vehicles, Codan and VHF radios, and satellite phones transferred to PADCO-AECOM from DAI for operational life

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support. When these assets are taken away, PADCO-AECOM will seek to rent replacement vehicles as quickly as possible and purchase satellite phones on the local market where possible. USAID/OTI may also authorize additional funds under the PADCO-AECOM contract to purchase replacement vehicles and communications equipment. However, the GoS strictly controls the import and licensing of vehicles and radios, and there will likely be delays in getting these assets to field offices. This will hinder urgently needed programming in some of the most volatile areas in Sudan.

17. (SBU) USAID/OTI will continue its activities to support implementation of the Comprehensive Peace Agreement (CPA) by making unity attractive through tangible peace dividends along the North-South border and increased integration of NCP and SPLM local governance structures. The seizure of assets from PADCO-AECOM field offices in the Three Areas will slow down program implementation, and make it more difficult for staff to reach remote and insecure areas -- the very locations where OTI activities seek to stabilize volatile community dynamics and mitigate potential conflict. If staff security cannot be ensured with adequate, makeshift measures, expatriate staff will be pulled back to Khartoum to manage remotely and the program will rely more heavily on local staff for activity development and implementation.

18. (SBU) USAID/OTI activities in the Three Areas are warmly welcomed by the local populations, including local government officials, as some of the very few high-profile post-CPA peace dividends and development activities in the region. Delays and disruptions in implementation of these activities will be quickly noticed by well-connected supporters like Governor Malik Agar in Blue Nile State. Indeed, when PADCO-AECOM requested permits to move vehicles from Damazin to Khartoum for handover, the local HAC/SSRRC staff refused and took the issue up with federal HAC. Federal HAC agreed to HAC/SSRRC's request to keep the DAI assets at the local HAC office in Damazin. Previous interference by HAC in the PADCO-AECOM program has resulted in governors and state ministers traveling to Khartoum to protest restriction of access to the Three Areas; similar protests to address the current situation would be easy to mobilize - and indeed may occur without any encouragement. Federal HAC deeply resents this pressure and may retaliate against PADCO-AECOM even more dramatically in response.

¶9. (SBU) USAID/OTI's activities in Khartoum supporting civil society and civic engagement in CPA-mandated political processes, including the upcoming elections, are largely unaffected by seizure of DAI assets. However, these activities, implemented by PADCO-AECOM, will be impacted by the increased suspicion and scrutiny that has accompanied HAC's actions in the past two weeks. In each multiple-hour visit by HAC staff to PADCO-AECOM offices, they have asked specific questions about activities in Khartoum, local grantees, and operational practices of OTI and PADCO-AECOM. They have removed files and other documentation detailing grantee names, contact information, and activities. They have made it clear to PADCO-AECOM staff that they have intimate knowledge of internal communications and operations (likely passed on by the HAC "interns" who sit in PADCO-AECOM as in many INGO offices, or other local staff who have been pressured to provide information.) These interrogations have a chilling effect on support to civil society organizations for civic education around elections, support the local groups say is desperately needed in the short-term, and not immediately forthcoming from any other donor.

COMMENT

¶10. (SBU) In meetings this week with high-level NCP officials, the CDA pointed out the disconnect between the stated GoS goal of improved cooperation with the Obama Administration and its harassment and disruption of USG-funded humanitarian and development assistance activities in Sudan. CDA was assured by at least one interlocutor that a "compromise" would be found to the PADCO-AECOM situation. Further meetings are scheduled on February 22 (with MFA U/S Siddiq) but we expect more obfuscation from the regime. As the HAC continues threatening and expelling USAID partner staff, seizing USAID partner assets with impunity, forcing INGOs to sign technical agreements with language that INGOs and their donors do not accept, the regime appears to be challenging us to engage. In another example of calculated non-cooperation, having previously agreed to allow up to eight U.S. military officers join UNAMID, the regime appears to be reneging on that deal, just as two of the officers are set to arrive next week (this issue has also been raised repeatedly and will be raised again on February 22). Our sense is that these actions are likely deliberate, connected and calculated; the regime

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has chosen several items that it knows (or is hoping) are important to us but not important enough for us to seriously retaliate. The objective is to demonstrate that when the relationship between the U.S. and Sudan is improving, and there are signs of engagement from the U.S., relatively minor issues such as these can be easily resolved (as several issues were resolved when former SE Williamson briefly engaged but ultimately backed away.) Improved humanitarian access and the approval of the U.S. military officer visas were promised at that time, but the U.S. did not deliver anything in return, and now the NCP would like to encourage deeper engagement by a new American Administration by demonstrating how seemingly small things can become difficult in the absence of meaningful engagement.

The Sudanese regime is betting that the U.S. administration is not ready to escalate these two issues into something more serious. In this context, these two incidents appear to be shots across our bow to see how we will react, in the hope that our reaction will be to engage in the regime's favorite pastime: negotiation.

FERNANDEZ